



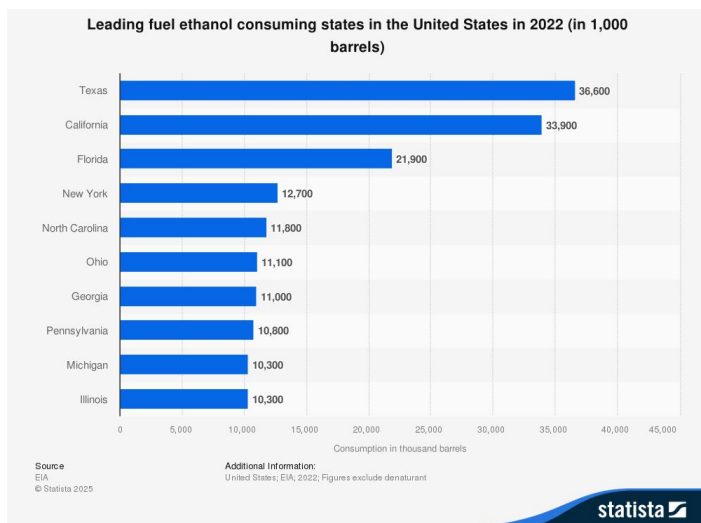
SI^UUXLAND
ETHAN^UL LLC

Winter 2025

2025: THE YEAR THE GOLDEN STATE SHOULD LEGALIZE E15!

Siouxland Ethanol achieved \$5.8M in profit for the quarter that just ended. It was a timeframe that included a new record of more than 2.8M bushels of corn getting piled on the ground and then picked all back-up and processed into fuel. The dry weather pattern at the end of the growing season in 2024 created record dry corn to handle during the harvest period. The team worked safely throughout the quarter and finished the year with 1,518 days since the last lost time accident.

U.S. gasoline demand in 2024 was 137.6 billion gallons which was up 0.4% from the year prior but still not quite as high as the record set back in 2018 of 144.9 billion gallons. The gasoline consumed in the United States in 2024 contained on average 10.4% ethanol and toward the end of the calendar year, the monthly statistics demonstrated that ethanol inclusion rates were reaching all-time new highs approaching 10.9%. The trend of businesses and the federal government ordering employees to work back in the office five days per week will be helpful to future ethanol demand. The work from home experiment was more detrimental to ethanol demand thus far than the total displacement of liquid fuels caused by electric vehicle penetration rates.



Ethanol margins are following seasonal trends and the industry is currently at about breakeven while it builds stocks of ethanol on hand and waits for the return of the spring driving season. California has included language in their 2025 budget and plans to

finally approve the use of E15 and make it a legal fuel in that state which is important given their size of total fuel consumption. Siouxland Ethanol continues to ship nearly all of its ethanol to California despite the setbacks of wildfires and ill-advised policy that solely focuses on the adoption of electric vehicles.

The plant is running well and the year ahead has fewer capital expenditure projects ongoing. In April, the operations team will be swapping out the engine core of the natural gas turbine that generates all the plant electricity. This is required maintenance every 3 to 5 years. The original truck scales next to the administration building will also be getting removed and replaced in the spring.

All members will be receiving the regular information for the Siouxland Ethanol annual meeting in the mail. One item that is covered that is unique this year is a proposed amendment to the operating agreement. The current operating agreement contemplates a Board of Directors size of 7 to 15 people which was very important when the company was organized and in the mode of raising equity capital. The amendment would restate that range to a size of 7 to 11 people for governance purposes moving forward. The current operating agreement also states that the members must approve a numerical change within the range, for instance going from 11 Directors to 10 Directors. The amendment would give the Board of Directors that discretion and authority to adjust the size of the Board of Directors within the approved range.

The Company recommends you vote FOR this amendment – read the packet for more details.



Nick Bowdish

Nick Bowdish
President & CEO

FINANCIAL RECAP

Comparison Of Operations Three Months Ended:

- ▶ Total revenues were down in Q1 of FY2025 when compared to Q1 of FY2024 due to decreased average prices for our products. Ethanol values were down by nearly 13.0% and co-product values were down approximately 25%.
- ▶ Our cost of production, related to our primary expenses corn and natural gas, were also lower. The average cost of corn and natural gas were approximately 19% and 35% lower respectively, quarter over quarter.
- ▶ The above combination of reduced revenues and lower production costs resulted in the nearly 28% reduction in gross profit quarter over quarter.

Working capital decreased nearly \$12.3MM since 9/30/2024, mainly the result of the \$5,300/unit distribution, totaling \$18.153MM, that was issued to the owners in October 2024. Financial stability remains strong with working capital nearly \$31.0MM and members' equity above \$100.0MM

No units traded during the quarter ending 12/31/2024.

Member K-1s for FY24 (remember these are on 2023 tax forms) were mailed out early January 2025. Please contact Siouxland Ethanol's office if you have not received your K-1 tax forms.

SUMMARY OF OPERATIONS	3 Months Ended 12/31/2024	3 Months Ended 12/31/2023
Total Revenues	\$52,370,742	\$60,465,922
Gross Profit	\$6,297,706	\$8,744,798
Net Income	\$5,825,557	\$8,516,747
Net Income/Unit	\$1,701	\$2,411
Distribution/Unit	\$5,300	\$4,000

Please be sure to keep Siouxland Ethanol updated on your contact information. This helps ensure you receive your distribution check, tax & other pertinent information timely. Thank you!

BALANCE SHEET	As Of 12/31/2024	As of 9/30/2024	KEY METRICS	3 Months Ended 12/31/2024	3 Months Ended 12/31/2023
Current Assets	\$51,917,122	\$57,732,750	Ethanol Yield (Gal/bu)	3.05	3.00
Total Assets	\$123,128,671	\$129,061,137	Corn Oil (Lbs/bu)	1.35	1.1
Current Liabilities	\$21,103,155	\$14,626,394	Ethanol Production (Gal/day)	282,928	284,155
Long-Term Liabilities	\$1,652,536	\$1,734,822	Ethanol Production MGY	99.9	100.3
Members' Equity	\$100,372,980	\$112,699,921	Natural Gas (BTU/gal)	23,387	23,244
Book Value/Unit	\$29,306	\$32,905	Grid Electricity (KW/gal)	0.01	0.01



In Memory OF OUR FRIEND

It is with sadness that we share the news that Darrell Downs died on February 1, 2025. Darrell was a founding Director of Siouxland Ethanol and its success stemmed from many contributions like those that Darrell provided the company for numerous years. Eternal rest grant unto him, O Lord, and let perpetual light shine upon him.

A DIRECTOR'S PERSPECTIVE

President Trump won the election and has established a mantra of making the federal government more efficient. What actions at the federal level would be most helpful to enable the ethanol industry to prosper?

To help the ethanol industry prosper at the federal level, the government could consider several actions:

- ▶ **Strengthen the Renewable Fuel Standard (RFS):** Ensure the RFS is maintained and expanded to increase the blending requirements for ethanol in the nation's fuel supply, providing a stable demand for ethanol.
- ▶ **Remove Barriers to E15 Adoption:** Streamline regulations to allow the year-round sale of E15 (gasoline blended with 15% ethanol), which would expand market opportunities for Siouxland Ethanol
- ▶ **Promote Higher Ethanol Blends:** Encourage the adoption of higher ethanol blends, such as E30, through incentives for fuel retailers to upgrade infrastructure (e.g., blender pumps) and educate consumers on the benefits of ethanol.
- ▶ **Support Export Markets:** Negotiate trade agreements and eliminate international tariffs to open more markets for U.S. ethanol exports, which would create additional demand and stabilize prices.
- ▶ **Promote Biofuel Infrastructure Development:** Provide federal funding for the development of biofuel infrastructure, including pipelines, storage facilities, and distribution networks, to reduce logistical challenges for ethanol transportation.
- ▶ **Incentivize Flex-Fuel Vehicles (FFVs):** Offer tax credits or CAFÉ standard compliance credits for manufacturers to produce more FFVs and for consumers to purchase them, which would increase the market for ethanol-blended fuels.

By implementing these policies, the federal government could create a more favorable environment for the ethanol industry, supporting rural economies and advancing the nation's renewable energy goals.

Being in the Banking Industry I get lots of questions about Cryptocurrency to which I quickly quote Warren Buffet: "If I could buy a five-year put on every one of the cryptocurrencies, I'd be glad to do it but I would never short a dime's worth". This statement expresses skepticism about cryptocurrencies as a

long-term investment but also reflects caution about actively betting against them. Since Trump won the election in November, the crypto market has been on a run, called the Trump Bump- Bitcoin topped \$100K for a record close as of late. Let's dive into it:

What is Cryptocurrency?

- ▶ Cryptocurrency is a form of digital or virtual currency that uses cryptography for security and operates on decentralized systems like blockchain technology. Unlike traditional currencies issued by governments (such as the U.S. dollar), cryptocurrencies are typically managed by decentralized networks of computers, making them immune to centralized control or manipulation. Bitcoin, the first and most well-known cryptocurrency, launched in 2009, paving the way for thousands of others like Ethereum, Ripple, and Solana. Cryptocurrencies can be used for transactions, investments, or to access blockchain-based services.

How Does Cryptocurrency Intersect with the Banking Industry?

- ▶ Cryptocurrency has disrupted the traditional banking industry by introducing faster, cheaper, and borderless transactions. It offers alternatives to traditional financial services like money transfers, lending, and even savings accounts through decentralized finance (DeFi) platforms. Major banks and financial institutions are beginning to integrate cryptocurrency services, such as custody, trading, and blockchain technology, into their offerings to stay competitive. Central banks are also exploring Central Bank Digital Currencies (CBDCs) to retain relevance in the digital economy.

However, cryptocurrency also challenges banks by reducing their intermediary role. Peer-to-peer networks and DeFi protocols eliminate the need for traditional banks, raising questions about regulation, security, and monetary control.

Jamie Dimon, the CEO of JP Morgan Chase, the largest bank in the United States and the world's largest bank by market said in 2025 about Bitcoin, "I applaud your ability to wanna buy or sell it. Just like I think you have the right to smoke, but I don't think you should smoke."

What Will Currency Look Like in 10 Years?

In the next decade, currency is likely to become increasingly digital. While cryptocurrencies may not fully replace

traditional money, they will likely coexist alongside CBDCs issued by governments. Here's what to expect:

- ▶ **Mainstream Use of Digital Wallets:** People may use digital wallets for both cryptocurrencies and CBDCs, making cash increasingly obsolete.
- ▶ **Regulated Crypto Ecosystem:** Governments will establish clearer regulatory frameworks, balancing innovation with financial stability and consumer protection.
- ▶ **Smart Contract Integration:** Smart contracts—self-executing agreements on blockchains—could make financial transactions more efficient and eliminate many middlemen.
- ▶ **Interoperability:** Traditional and digital currencies may become seamlessly interchangeable, enabling easier global trade and commerce.
- ▶ **Eco-Friendly Solutions:** With increasing concerns over energy usage, cryptocurrencies will shift toward environmentally sustainable technologies.

In essence, currency will likely become a hybrid of state-issued digital money and decentralized cryptocurrencies, offering more flexibility and accessibility in how we transact, save, and invest.

If you find yourself traveling to Phoenix/ Scottsdale, San Francisco or Los Angeles I'd like to recommend you try Waymo instead of Uber or Lyft. I've been to the desert a few times and kept seeing these driverless cars transporting people around, so I download the app and took my first ride in a Waymo- Lets dive in:

Waymo is an autonomous driving technology company and a subsidiary of Alphabet Inc. (Google's parent company). Founded in 2009 as Google's self-driving car project, it has become a leader in developing self-driving vehicle systems using artificial intelligence, advanced sensors, and mapping technologies.

Key Features of Waymo:

- ▶ **Autonomous Driving Technology:** Waymo's system, known as the "Waymo Driver," integrates cameras, radar, lidar (light detection and ranging), and AI to navigate roads safely without human intervention.
- ▶ **Ride-Hailing Services:** Waymo operates a commercial autonomous ride-hailing service called Waymo One, which was launched in Phoenix, Arizona. It offers fully driverless rides to select customers in specific areas.
- ▶ **Partnerships with Automakers:** Waymo collaborates with automakers like

Chrysler and Jaguar Land Rover to integrate its technology into vehicles.

- ▶ **Focus on Safety:** Waymo prioritizes safety through extensive testing, including driving millions of miles on public roads and billions of miles in simulations
- ▶ **Autonomous Trucking:** Waymo is also working on Waymo Via, a division focused on self-driving trucks and delivery vans.

Waymo's vision is to make transportation safer, more accessible, and more sustainable by reducing reliance on human drivers and promoting electric autonomous vehicles. It's a trip! Let's get Waymo's using engines powered by ethanol!

I have a daughter in KC doing her residency in Orthopedic surgery, a daughter in NYC that just started a new career with JP Morgan Chase, a son who is a junior in business at Penn State university and our youngest, a Junior in High School. I see several key themes about what future young consumers are likely to demand from the products they purchase and the companies they support. This generation of consumers, shaped by rapid technological advancements, global challenges, and evolving social values, has distinct preferences:

- ▶ **Sustainability and Ethical Practices:**
 - **Environmentally Friendly Products:** Future consumers prioritize companies that take sustainability seriously, whether through eco-friendly materials, carbon-neutral practices, or reducing waste.
- ▶ **Personalization and Customization:**
 - **Products and services tailored to individual preferences** are increasingly important. Whether it's personalized healthcare, curated shopping experiences, or customized education platforms, they value businesses that understand their unique needs.
- ▶ **Digital Integration and Convenience:**
 - **Tech-savvy consumers** expect seamless digital experiences. Companies must offer intuitive apps, smart devices, and frictionless e-commerce options. AI-driven tools and instant service will be expected norms.
 - **Subscription-based models and on-demand services** (like streaming, delivery, or telemedicine) resonate with their lifestyles.
- ▶ **Health and Wellness:**
 - **As future doctors and business professionals**, they focus on products that support physical and mental well-being. This includes clean-label food, wellness tech (e.g., fitness wearables), and holistic healthcare services.
- ▶ **Community and Impact:**
 - **These graduates want to see brands**

making a positive impact on society. They value companies that give back to communities, support education, or address issues like poverty and climate change.

- ▶ **Quality and Longevity:**
 - **This group often favors quality over quantity.** Products that are durable, multifunctional, and worth their investment align with their preference for mindful consumption.
- ▶ **Tech-Enabled Healthcare and Services:**
 - **Particularly for medical graduates**, there's an expectation for businesses to integrate technology into healthcare delivery, such as telehealth, AI diagnostics, and wearable health monitors. They will expect seamless collaboration between tech and healthcare industries.

In summary, these future consumers want businesses that align with their values, prioritize sustainability, integrate technology seamlessly, and deliver personalized, impactful experiences. Companies that evolve to meet these demands will thrive in this dynamic market.

Several companies are excelling in the convenience store (c-store) industry by innovating and meeting changing consumer expectations. The best-performing c-stores combine convenience, high-quality offerings, and customer-centric strategies. Having a couple kids go to college out East, and experienced firsthand several times, my first two selections are dynamic players in this sector who lead with an impressive fresh fast food menu and are as popular with college students and families as the local Burger King. Here are some of the top players and what makes them attractive:

Wawa

- ▶ **What They're Doing Right:**
- ▶ **Food Service Excellence:** Wawa is known for its high-quality, made-to-order food options, including customizable sandwiches, fresh salads, and specialty beverages.
- ▶ **Customer Experience:** Their clean stores, friendly staff, and digital ordering kiosks make the shopping experience easy and enjoyable.
- ▶ **Loyalty Programs:** Wawa's rewards app offers personalized discounts, fueling customer loyalty.
- ▶ **Community Engagement:** Strong ties to local communities help build brand loyalty.

Sheetz

- ▶ **What They're Doing Right:**
- ▶ **Tech Integration:** Sheetz offers touchscreen ordering kiosks and a robust mobile app with rewards and easy payment options.
- ▶ **Unique Offerings:** Known for their 24/7 foodservice, Sheetz provides a wide variety of affordable,

customizable menu items.

- ▶ **Youthful Branding:** Their modern, fun vibe appeals to younger audiences.

Buc-ee's

- ▶ **What They're Doing Right:**

- ▶ **Scale and Variety:** Buc-ee's offers massive stores with an unmatched variety of products, including fresh food, snacks, and unique merchandise.
- ▶ **Exceptional Amenities:** Their restrooms are famous for being exceptionally clean, which has become a significant draw for travelers.
- ▶ **Destination Appeal:** Buc-ee's locations are tourist attractions, offering regional specialties and a distinctive experience.
- ▶ **Common Themes Among Top Performers in my opinion:**
- ▶ **Foodservice Excellence:** High-quality, fresh, and customizable food options are a major driver of foot traffic and customer loyalty.
- ▶ **Tech Integration:** Mobile apps, loyalty programs, and digital payment systems enhance convenience and engagement.
- ▶ **Cleanliness and Comfort:** Clean, well-maintained stores and amenities like restrooms create positive experiences for customers.
- ▶ **Community Engagement:** These stores often build strong ties with local communities, which helps foster loyalty.
- ▶ **Sustainability and Innovation:** All these C-stores that are investing in renewable energy and environmentally friendly packaging are positioning themselves for the future.

The most successful c-stores combine convenience with quality and innovation, making them destinations rather than just quick stops.



SHENNEN SALTZMAN

Vice Chair of the
Board of Directors

ALPHABET SOUP FOR POLICY GEEKS

By Nick Bowdish

The Biden Administration departed Washington, D.C. on January 20th and their exit did not occur until they grabbed the soup ladle and gave the pot one last tsunami of a stir.

The Inflation Reduction Act was passed by Congress on August 16, 2022 and this law created new tax credits available for manufacturing clean hydrogen (45V), technology components (45X), nuclear power (45U), clean electricity production (45Y), clean electricity investment (48E), advanced energy investment (48C), sustainable aviation fuel (40B), and the granddaddy of them all, the Clean Fuel Production Credit whose alias is better known by the simple three characters: 45Z!

The text of the law was available for 887 days while the Biden Administration was in office, but taxpayers got the first glimpse of the 45Z rules exactly 10 days before they left town. Happy New Year!

Cliff Notes:

- ▶ The 45Z tax credit as written in law today is available for the years 2025 thru 2027.
- ▶ The 45Z tax credit is a clean fuel production tax credit – you have to produce fuel to claim it.
- ▶ The bulletin published by the U.S. Treasury Department on January 10, 2025, was sufficient to provide the basis for taxpayers like Siouxland Ethanol to claim the 45Z tax credit.
- ▶ The bulletin published by the U.S. Treasury Department on January 10, 2025, was very specific on the formula to be used to determine the tax credit available per qualifying gallon. The guidance on the formula and how it directs taxpayers to round effectively means that all scores above 47.5 will not generate any tax credit value because they round to zero. It also means that scores above 42.5 and up to 47.5 will round to 10 cents per gallon multiplied by the qualifying gallons.
- ▶ How many workshops, conferences, meetings, and roundtable experts have you heard state 45Z is worth 2 cents per gallon per point below 50? **Hold-up! That would be false today.**
- ▶ The bulletin published by the U.S. Treasury Department on January 10, 2025, specifically disclaims the use of climate smart agricultural practices in determining a taxpayer's fuel score until the Treasury Department and the IRS propose rules at a future date.
- ▶ **That means under current law and rules that farm practices have no way of generating any value inside the current 45Z production tax credit scheme.**
- ▶ The 45Z GREET model released by the U.S. Department of Energy on January 15, 2025, was sufficient to support the Treasury Department bulletin so that a taxpayer could input its data and determine the cleanliness of the fuel they produce as measured by the kilograms of CO₂ equivalent per MMBtu of energy. This is what you hear referred to as a CI score. (Carbon Intensity)
- ▶ The interim rule published by the U.S. Department of Agriculture on January 15, 2025, on Technical Guidelines for Climate Smart Agriculture and corresponding Feedstock Carbon Intensity Calculator are worthless to a taxpayer to use under current guidance given the wording in the U.S. Treasury Department's January 10, 2025 bulletin.
- ▶ Siouxland Ethanol scores a 44.49 carbon intensity upon inputting its 2024 data into the 45Z GREET model.

What is next?

The Trump Administration arrived in Washington, D.C. on January 20th in case you hadn't noticed, and the tidal wave of executive orders could best be summarized by stating hold-up a minute! Everyone take a 60-day break and let's review.....

- ▶ Will a Trump Administration want to perpetuate something with the word climate in it?
- ▶ Will the new Congress controlled by Republicans think it is a good idea to keep the alphabet soup around in its current form including how it requires taxpayers to meet prevailing wage and apprenticeship hurdles?
- ▶ Will one Big Beautiful Bill to extend income tax rates and estate tax exemptions in this country need offsets like the Green New Deal (45Z) to manage the federal budget moving forward?

Siouxland Ethanol has been fortunate and successful for 17 years and in those seventeen years clean fuel production tax credits like 45Z did not exist. The use of the federal treasury in programs like 45Z can have substantial

unintended consequences like establishing different winners and losers inside an industry that is still producing the same 16B gallons of ethanol while consuming the same 5.5B bushels of corn.

It is a matter of fact that turning corn ethanol into jet fuel cannot occur economically today without massive subsidies from governments or customers. Current economics would suggest that corn ethanol-based jet fuel costs \$4.60 per gallon to produce and that assumes someone gave you the money to construct the jet fuel plant for free! A recent example of that was the federal government providing a loan guarantee to a developer for approximately 90% of the plant's construction cost.

Petroleum derived jet fuel is trading for about \$2.50 per gallon so currently the taxpayer or consumer would have to provide more than \$2.00 per gallon in subsidies to make corn disappear into jet fuel.

More corn can disappear into the gasoline tank and save the consumer money with zero federal taxpayer subsidies if the United States simply adopts policies to make it legal to blend more ethanol into gasoline. What a novel concept.





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MISSION STATEMENT

To be an efficient producer of ethanol and its co-products with a low carbon footprint, and to promote the “clean octane” value of ethanol which will ensure long-term profitability for the industry and the investors in Siouxland Ethanol.

**HAPPY
NEW
YEAR**
FROM THE
**SIUXLAND
ETHANOL**
TEAM!



In December we celebrated the retirement and 16 years of service for one of our production operators, Eastley (EZ) Bolton. EZ plans to travel in his retirement and spend time with family, safe travel EZ!

